

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 609
OFFERED BY MR. CASTLE OF DELAWARE**

90/10 enforcement

In section 490 of the Amendment, strike subsection
(b) and insert the following:

1 (b) ENFORCING THE 90/10 RULE.—

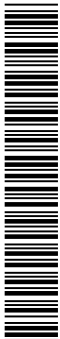
2 (1) AMENDMENT.—Section 487(a) (20 U.S.C.
3 1094(a)) is further amended by adding at the end
4 the following new paragraph:

5 “(24) The institution will, as calculated in ac-
6 cordance with subsection (f)(1), have at least 10 per-
7 cent of its revenues from sources other than funds
8 provided under this title, or will be subject to the
9 sanctions described in subsection (f)(2).”.

10 (2) IMPLEMENTATION.—Section 487 is further
11 amended by adding at the end the following new
12 subsection:

13 “(f) IMPLEMENTATION OF NON-TITLE IV REVENUE
14 REQUIREMENT.—

15 “(1) CALCULATION.—In carrying out sub-
16 section (a)(24), an institution shall use the cash
17 basis of accounting and count the following funds to-



1 ward the 10 percent of revenues from sources of
2 funds other than funds provided under this title:

3 “(A) funds used by students to pay tuition,
4 fees, and other institutional charges from
5 sources other than funds provided under this
6 title as long as the institution can reasonably
7 demonstrate that such funds were used for such
8 purposes;

9 “(B) institutional funds used to satisfy
10 matching-fund requirements for programs
11 under this title;

12 “(C) funds from savings plans for edu-
13 cational expenses established pursuant to the
14 Internal Revenue Code of 1986;

15 “(D) funds paid by a student, or on behalf
16 of a student by a party other than the institu-
17 tion, for an education or training program that
18 is not eligible for funds under this title, so long
19 as the program is approved or licensed by the
20 appropriate state agency or an accrediting
21 agency recognized by the Secretary; and

22 “(E) institutional aid, as follows:

23 “(i) in the case of institutional loans,
24 only the amount of loan repayments re-
25 ceived during the fiscal year; and



1 “(ii) in the case of institutional schol-
2 arships, only those provided by the institu-
3 tion in the form of monetary aid or tuition
4 discounts based upon the academic
5 achievements or financial need of students,
6 disbursed during the fiscal year from an
7 established restricted account, and only to
8 the extent that the funds in that account
9 represent designated funds from an outside
10 sources or income earned on those funds.

11 “(2) SANCTIONS.—An institution that fails to
12 meet the requirements of subsection (a)(24) for 3
13 consecutive years shall become ineligible to partici-
14 pate in the programs authorized by this title. In ad-
15 dition to such other means of enforcing the require-
16 ments of this title as may be available to the Sec-
17 retary, if an institution fails to meet the require-
18 ments of subsection (a)(24) in any year, the Sec-
19 retary may impose one or more of the following
20 sanctions on the institution:

21 “(A) Place the institution on provisional
22 certification in accordance with section 498(h)
23 until the institution demonstrates, to the satis-
24 faction of the Secretary, that it is in compliance
25 with subsection (a)(24).



1 “(B) Require such other increased moni-
2 toring and reporting requirements as the Sec-
3 retary determines necessary until the institution
4 demonstrates, to the satisfaction of the Sec-
5 retary, that it is in compliance with subsection
6 (a)(24).

7 “(3) PUBLICATION ON COOL WEBSITE.—The
8 Secretary shall identify, on the College Opportunities
9 On-Line website under section 131(c) and (d), any
10 institution that fails to meet the requirements of
11 subsection (a)(24) in any year as an institution that
12 is failing to meet the minimum non-Federal source
13 of revenue requirements of that subsection.”.

